

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

THOMAS SCHANSMAN, *et al.*,

Plaintiffs,

v.

SBERBANK OF RUSSIA, PJSC, *et al.*,

Defendants.

Case No. 1:19-cv-02985-ALC-GWG

Hon. Andrew L. Carter, Jr.

**SBERBANK’S MEMORANDUM OF LAW IN SUPPORT OF ITS
MOTION TO STAY ACTION AS TO SBERBANK
PENDING SUBSTITUTION OF COUNSEL**

Sberbank of Russia respectfully requests that the Court stay this action as to Sberbank pending substitution of counsel. The Court possesses the inherent discretion to grant the short stay of thirty days requested below.

We have been authorized to inform the Court that Sberbank and undersigned counsel, White & Case LLP and Debevoise & Plimpton LLP, are ending their relationship and are actively seeking substitute counsel to represent Sberbank in this action. As soon as Sberbank engages substitute counsel, undersigned counsel will move the Court for an order to withdraw from the representation consistent with Local Civil Rule 1.4 and Rule 1.16 of the New York Rules of Professional Conduct.

Sberbank acknowledges that the Court has recently ordered limited jurisdictional discovery. Sberbank has complied with and will continue to comply with its obligations under that order. Given the present circumstances, however, Sberbank respectfully requests a short stay

of the action for thirty days to allow time to identify and engage substitute counsel and to achieve a seamless transition of the representation to substitute counsel.

Plaintiffs oppose this Motion and, indeed, in the pre-motion correspondence Plaintiffs' counsel has made misplaced inflammatory accusations. Sberbank and undersigned counsel represent to this Court unequivocally that no tactics whatsoever are at play here. Rather than consent to the modest stay, in its opposition to Sberbank's pre-motion letter Jenner & Block instead conditions consent on undersigned counsel's immediate withdrawal, accompanied by an order directing Sberbank to secure new counsel within thirty days. In light of the Court's prior admonishments arising from Jenner & Block's refusal to accommodate reasonable scheduling requests — *see* ECF No. 251 (granting Sberbank's opposed motion for an extension of time and instructing that the "parties should be reasonable in judging the burdens on the opposing party of particular deadlines") — Jenner & Block's decision to oppose the short requested stay is both surprising and unwarranted.

Moreover, Jenner & Block's suggested approach runs contrary to Rule 1.16 of the New York Rules of Professional Conduct and would leave Sberbank unrepresented before this Court, potentially for thirty days, when Sberbank has jurisdictional discovery obligations to discharge, as well as a deadline by which to file a reply brief in support of its motion to dismiss for lack of subject-matter jurisdiction under the FSIA. This approach is both inimical to the orderly management of the case and impractical as corporations cannot appear *pro se* in U.S. courts. *See Rowland v. Cal. Men's Colony*, 506 U.S. 194, 202 (1993).

Sberbank submits that the short stay requested to secure replacement counsel will not prejudice Plaintiffs or the Court given its limited duration and the fact that the deadline for merits discovery extends through June 23, 2023, and Plaintiffs waited almost five years to bring their

claim. Sberbank also notes that it has a fully-briefed motion to stay merits discovery pending with Magistrate Judge Gorenstein in view of its immunity defense under the Foreign Sovereign Immunities Act.

Given that Sberbank and undersigned counsel are ending their relationship, substitute counsel should have the opportunity to transition onto the case and help Sberbank discharge Sberbank's obligations in this case in the way that they see fit.

Sberbank respectfully requests that the Court grant its Motion and stay this case as to Sberbank for thirty days.

March 23, 2022

Respectfully submitted,

WHITE & CASE

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/s/ Nicole Erb

/s/ William H. Taft V

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